

[By Christian Avar](#)

More than 10,000 Vermonters sent Congressman Peter Welch a clear message on Wednesday night: Student loan debt is increasing, college affordability is decreasing, and Vermont students and families need relief.

Welch held a teleconference town meeting over student loan debt and college affordability. If Congress cannot decide how to fund subsidized Stafford loans by July 1, interest rates will double from 3.4 percent to 6.8 percent, Welch said.

According to The New York Times, Congress approved low interest rates for subsidized Stafford loans in 2007 as part of the College Cost Reduction and Access Act. Interest rates would decrease from 6.8 percent to the current 3.4 percent over four academic school years provided the rates revert back to 6.8 percent next month.

Welch is against the interest rate hikes because students and families should not have to suffer the financial burden.

Joining Welch on the call was Lana Kunkel of Colchester. Kunkel is the granddaughter of the late Sen. Robert Stafford.

Stafford established a federal program for funding college education called Stafford loans. The loans are subsidized and nonsubsidized and they are offered to students at low interest rates.

Kunkel attended the University of Vermont on a Stafford loan and earned a bachelor's degree. She said the loan was "vital to what she's become," and her grandfather would have prevented student loan interest rates from doubling.

"This is his legacy and I know he would fight this. That was his intention for developing (Stafford loans): accessibility," she said. "It would really be a shame if these interest rates increased."

The Vermont Student Assistance Corporation offers grants, loans, and scholarships to Vermonters seeking higher education. Don Vickers, president and CEO of VSAC, agreed with Kunkel and Welch that Congress should not let the higher interest go into effect, as it would be bad for students and business.

"Students who graduate today are now having to look at making large loan payments and not having a job that pays enough to make those payments. We spend a lot of time counseling them on repayment options," he said. "There's no reason in today's market that we should be doubling the interest rates on student loans."

More than 10,391 Vermonters called for the telephone town meeting, according to Welch's communications director, Scott Coriell. Welch said the number of people who called in was "unprecedented."

"There is enormous anxiety about the future. Parents are having to sacrifice their retirement security to send their kids to school," Welch said. "You're entitled to have a government that recognizes you're working hard, and we need public policies that make it possible to have equity in your house and educate your children."

More than 100 members of Congress have cosponsored legislation to keep interest rates at 3.4 percent, but Welch said the Republican leadership in the U.S. House has the authority to allow a vote to take place.

Welch said there is much resistance to holding a vote.

"There's a lot of resistance because it means the fed is taking on the risk, but I think we should," Welch said. "We have a lot of parents making payments and they have good credit and it's giving good help to the bottom-line family budget. There's always risk, but it's pretty good risk."